



4004

ANNUAL REPORT

OF

Name: FARMERS TELEPHONE COMPANY

Principal Office: 140 N MONROE ST
P.O. BOX 467
LANCASTER, WI 53813-0467

For the Year Ended: DECEMBER 31, 1999

TELECOMMUNICATIONS UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854
Madison, WI 53707-7854
(608) 267-9504

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

GENERAL RULES FOR REPORTING

1. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records in conformity with the Uniform System of Accounts prescribed by the Public Service Commission of Wisconsin in docket 05-US-102. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
2. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used. However, please show the exact name of the respondent in full on the Identification and Ownership page.
3. Wherever information is requested in a "note", please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
4. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. Do not use parentheses for numeric values. The program will convert the minus sign to parentheses when a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
5. Please report all dollar amounts to the nearest whole dollar.
6. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
7. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, that previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
8. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the "Individual or firm, if other than utility employee, preparing this report" portion of the Identification and Ownership schedule, which describes the nature and extent of work performed.
9. Please print a hard copy of the annual report on 20 pound or heavier paper, sign it and compare with the electronic copy before officially filing it with the Public Service Commission of Wisconsin.

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ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Access Line	Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.
Analog Signal	A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.
Cellular System	A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.
Central Office	A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.
Centrex	A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).
Channel	An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.
Customer	A person who uses a telephone as a subscriber.
Digital Signal	A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.
Equal Access	The ability of the subscriber to use any long distance service by dialing the same number of digits.
Exchange	A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.
Extended Area Service (EAS)	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
Extended Community Calling (ECC)	The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.
Feature Group A	Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Feature Group B	Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.
Feature Group C	Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.
Feature Group D	Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.
FX-IN	A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.
FX-OUT	A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.
Host Switching System	A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.
Local Access Transport Area (LATA)	A geographic area within which an operating company may offer its telecommunications services.
Mobile Telephone	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
Paging	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
Pair	Two wires of a single circuit.
Pay Station	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
Private Line Service	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
Private Branch Exchange (PBX)	A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.
Radio Common Carrier (RCC)	A company which furnishes public telecommunications service using one or more radio channels.
Remote Switching Unit (RSU)	An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS

Route Miles	<p>Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of:</p> <ol style="list-style-type: none">1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.2. One mile of a cross country route with any combination of outside plant facilities.3. One mile of point-to-point microwave or radio link.4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.5. One mile of joint use line where the utility either owns the facility or leases space.
Stand Alone Switch	<p>A central office switch which has no remote switching units (RSUs) subtending it.</p>
Trunk	<p>A communications path connecting two switching systems in the establishment of an end-to-end connection.</p>
Wide Area Telephone Service (WATS)	<p>Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.</p>
Wire Center	<p>The location of one or more local switching systems. A point at which customers' loops converge.</p>

ABBREVIATIONS USED IN ANNUAL REPORTS

Acct	.....	Account
Accum	.....	Accumulated
Acq	.....	Acquisition
Admin	.....	Administrative
Alloc	.....	Allocation
Amort	.....	Amortization
CO	.....	Central Office
Depr	.....	Depreciation
Equip	.....	Equipment
Exp	.....	Expenses
EOY	.....	End of Year
FOY	.....	First of Year
Info	.....	Information
ITC	.....	Investment Tax Credit
Misc	.....	Miscellaneous
Nonoper	.....	Nonoperating
Nonreg	.....	Nonregulated
Oper	.....	Operating
Opns	.....	Operations
Orig	.....	Originating
Prop	.....	Property
Receiv	.....	Receivable
Reg	.....	Regulated
Rev	.....	Revenues
Svcs	.....	Services
Telecom	.....	Telecommunications
Term	.....	Terminating
TPIS	.....	Telecommunications Plant in Service
TPUC	.....	Telecommunications Plant Under Construction
Uncoll	.....	Uncollectible

IDENTIFICATION AND OWNERSHIP

Exact Utility Name: FARMERS TELEPHONE COMPANY
Utility Location: 140 N MONROE ST
P.O. BOX 467
LANCASTER, WI 53813-0467

Utility Web Site Address:

When was utility organized?: 06/21/1898

Report any change in name and the effective date:

Officer in charge of correspondence concerning this report

Name: MR HOWARD G. HOPEMAN, CPA
Title: CFO/ASSISTANT TREASURER

Office Address: 8501 EXCELSIOR DRIVE
MADISON, WI 53717

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Individual or firm, if other than utility employee, preparing this report

Name:
Title:

Office Address:

Fax Number:
Telephone Number:
Email Address:

Person responsible for financial information contained in report

Name: MR NOEL C. HUTTON, CPA
Title: DIRECTOR OF ACCOUNTING

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MADISON, WI 53717

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Person responsible for statistical information contained in report

Name: MR NOEL C. HUTTON, CPA
Title: DIRECTOR OF ACCOUNTING

Office Address: 8501 EXCELSIOR DRIVE
MADISON, WI 53717

Fax Number: (608) 826 - 4300
Telephone Number: (608) 826 - 4289
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IDENTIFICATION AND OWNERSHIP

List names, addresses, and number of shares held by persons owning 5 percent or more of outstanding voting securities. If any stock is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).

Name: CHORUS COMMUNICATIONS GROUP, LTD.
Address: 8501 EXCELSIOR DRIVE
MADISON, WI 53717

Number of Shares Held: 137,643

Beneficial Owner: NONE

INCOME STATEMENT - TOTAL COMPANY

Particulars (a)	This Year (b)	Last Year (c)	
Operating Revenues (5000-5300)	4,583,643	4,114,351	1
Operating Expenses			
Plant Specific Operations Expense (6110-6410)	411,491	340,934	2
Plant Nonspecific Operations Expense	846,060	816,700	3
Customer Operations Expense (6610-6620)	359,516	316,683	4
Corporate Operations Expense (6710-6790)	501,373	404,531	5
Other Operating Income and Expense (7100)	(618)	(89)	6
Operating Taxes (7200)	1,042,672	956,965	7
Total Operating Expenses	3,161,730	2,835,902	8
Net Operating Income	1,421,913	1,278,449	9
Other Income			
Nonoperating Income and Expense (7300)	42,910	40,256	10
Nonoperating Taxes (7400)	8,538	(6,834)	11
Interest and Related Items (7500)	145,742	153,737	12
Extraordinary Items (7600)	0	0	13
Nonregulated Net Income (7990)	0	0	14
Total Nonoperating Income	(111,370)	(106,647)	15
Net Income	1,310,543	1,171,802	16

NOTES TO INCOME STATEMENT OR BALANCE SHEET

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

-
1. A summary of significant accounting policies. (The summaries should disclose, but not be limited to, the utility's accounting policies with regard to pension cost, unbilled revenues, depreciation, and income taxes.)

Inventories are stated at the lower of cost or market, principally using the average cost method.

Property is stated at original cost. Depreciation is provided based upon PSCW approved rates.

The Company determines its income tax expense under the provisions of SFAS 109. ITC has been deferred and is being amortized over the life of the related property.

Revenues are recognized when earned regardless of the period in which they are billed. Revenue for interstate access is based upon nationwide average schedules.

Interest costs are capitalized under the provisions of SFAS 34.

The Company follows the accounting for regulated enterprises prescribed by SFAS 71.

-
2. A summary of significant contingent assets and liabilities existing at year end, including a brief explanation of any action initiated by the Internal Revenue Service, Wisconsin Department of Revenue, or the utility involving a possible assessment or refund of taxes.

None.

-
3. The notes should include an explicit and precise explanation of any retained earnings restrictions and should state the amount of retained earnings affected by such restrictions.

Due to its long-term debt financing, the Company is subject to restrictions on the amount of retained earnings available for cash dividends. At December, 31, 1999, \$1,028,650 of its retained earnings were not restricted.

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT ASSETS			
CASH AND EQUIVALENTS			
Cash and Equivalents (1120)*	985,625	857,636	1
Cash (1130)			2
Special Cash Deposits (1140)			3
Working Cash Advances (1150)			4
Temporary Investments (1160)			5
TOTAL CASH AND EQUIVALENTS	985,625	857,636	
RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS			
Telecommunications Accounts Receivable (1180)*	243,466	268,849	6
Accounts Receivable Allowance-Telecom (1181)*			7
Net: Telecommunications Accounts Receivable	243,466	268,849	
Other Accounts Receivable (1190)*	535,577	683,236	8
Accounts Receivable Allowance--Other (1191)*			9
Net: Other Accounts Receivable	535,577	683,236	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
Net: Notes Receivable	0	0	
Interest and Dividends Receivable (1210)*	36,345	28,914	12
TOTAL REC AND ALLOW FOR DOUBTFUL ACCOUNTS	815,388	980,999	
SUPPLIES			
Inventories (1220)*	337,510	332,396	13
TOTAL SUPPLIES	337,510	332,396	
PREPAYMENTS			
Total Prepayments (1280)*	28,251	33,490	14
Prepaid Rents (1290)			15
Prepaid Taxes (1300)			16
Prepaid Insurance (1310)			17
Prepaid Directory Expenses (1320)			18
Other Prepayments (1330)			19
TOTAL PREPAYMENTS	28,251	33,490	
OTHER CURRENT ASSETS			
Other Current Assets (1350)*	30,889	46,309	20
TOTAL OTHER CURRENT ASSETS	30,889	46,309	
TOTAL CURRENT ASSETS	2,197,663	2,250,830	
NONCURRENT ASSETS			
INVESTMENTS			
Investment in Affiliated Companies (1401)*	0	0	21
RTB Class B Stock (1402)*	173,959	173,959	22
Other Investments in Nonaffiliated Companies (1402)*	72,605	72,605	23
Nonregulated Investments (1406)*		0	24
Unamortized Debt Issuance Expense (1407)*			25
Sinking Funds (1408)*		0	26

BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
NONCURRENT ASSETS			
INVESTMENTS			
Other Noncurrent Assets (1410)*			27
TOTAL INVESTMENTS	246,564	246,564	
DEFERRED CHARGES			
Deferred Tax Regulatory Asset (1437)*	13,149	14,051	28
Deferred Maintenance and Retirements (1438)*		0	29
Deferred Charges (1439)*			30
TOTAL DEFERRED CHARGES	13,149	14,051	
TOTAL NONCURRENT ASSETS	259,713	260,615	
PLANT			
TELECOMMUNICATIONS PLANT IN SERVICE			
Telecommunications Plant in Service (2001)*	10,430,793	9,772,629	31
Less: Accumulated Depreciation (3100)*	6,578,307	5,952,051	32
Less: Accumulated Amortization--Capitalized Leases (3410)*			33
Less: Accumulated Amortization--Leasehold Improvements (3420)*			34
Less: Accumulated Amortization--Intangible (3500)*			35
NET TELECOMMUNICATIONS PLANT IN SERVICE	3,852,486	3,820,578	
PROPERTY HELD FOR FUTURE USE			
Prop. Held for Future Telecommun. Use (2002)*	37,533	37,533	36
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*	20,271	18,019	37
NET PROPERTY HELD FOR FUTURE USE	17,262	19,514	
NONOPERATING PLANT			
Nonoperating Plant (2006)*			38
Less: Accumulated Depreciation--Nonoperating (3300)*			39
NET NONOPERATING PLANT	0	0	
TPUC			
TPUC (2003)*	0	3,891	40
TOTAL TPUC	0	3,891	
TELECOMMUNICATIONS PLANT ADJUSTMENT			
Telecommunications Plant Adjustment (2005)*			41
Less: Accumulated Amortization--Other (3600)*			42
NET TELECOMMUNICATIONS PLANT ADJUSTMENT	0	0	
TOTAL PLANT	3,869,748	3,843,983	
TOTAL ASSETS AND OTHER DEBITS	6,327,124	6,355,428	

BALANCE SHEET - LIABILITIES (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
CURRENT LIABILITIES			
Accounts Payable (4010)*	303,278	535,381	1
Notes Payable (4020)*		0	2
Advance Billing and Payments (4030)*	(465)	54	3
Customer Deposits (4040)*	5,775	5,885	4
Current Maturities--Long-Term Debt (4050)*	149,444	140,329	5
Current Maturities--Capital Leases (4060)*			6
Income Taxes--Accrued (4070)*	(69,624)	68,099	7
Other Taxes--Accrued (4080)*	(14,103)	(38,716)	8
Net Current Deferred Operating Income Taxes (4100)*		0	9
Net Current Deferred Nonoperating Income Taxes (4110)*			10
Other Accrued Liabilities (4120)*	73,221	31,756	11
Other Current Liabilities (4130)*			12
TOTAL CURRENT LIABILITIES	447,526	742,788	
LONG-TERM DEBT			
Funded Debt (4210)*	1,861,772	2,011,755	13
Premium on Long-Term Debt (4220)*			14
Discount on Long-Term Debt (4230)*			15
Reacquired Debt (4240)*		0	16
Obligations Under Capital Leases (4250)*			17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*		0	19
TOTAL LONG-TERM DEBT	1,861,772	2,011,755	
OTHER LIABILITIES AND DEFERRED CREDITS			
Other Long-Term Liabilities (4310)*			20
Unamortized Operating ITC--Net (4320)*	28,276	56,551	21
Unamortized Nonoperating ITC--Net (4330)*			22
Net Noncurrent Deferred Operating Income Taxes (4340)*	363,373	405,911	23
Net Deferred Tax Liability Adjustments (4341)*	(13,085)	(32,010)	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*	(26,507)	(19,208)	25
Other Deferred Credits (4360)*	76,652	90,179	26
Deferred Tax Regulatory Liability (4361)*	18,241	39,129	27
TOTAL OTHER LIABILITIES AND DEFERRED CREDITS	446,950	540,552	
STOCKHOLDERS' EQUITY			
Capital Stock (4510)*	1,376,430	1,376,430	28
Additional Paid-in Capital (4520)*			29
Treasury Stock (4530)*		0	30
Other Capital (4540)*			31
Retained Earnings (4550)*	2,194,446	1,683,903	32
TOTAL STOCKHOLDERS' EQUITY	3,570,876	3,060,333	
TOTAL LIABILITIES AND OTHER CREDITS	6,327,124	6,355,428	

IMPORTANT CHANGES DURING THE YEAR

1. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates.

None .

2. Additional matters of fact (not elsewhere provided for) which respondent may desire to include in its report.

None .

AFFILIATE ABBREVIATIONS

In column (b) provide the abbreviation for the name of the affiliate shown in column (a). Limit abbreviations to 10 characters or less. Use these abbreviations when completing the affiliated interest schedules. Insert "Other" in the Abbreviations column if the activity to be reported for a particular record in the Affiliated Interest Transactions or Affiliated Assets and Liabilities schedule represents an aggregation of activity not exceeding the dollar or percentage limits set forth in the header of that schedule.

Name of Affiliate (a)	Abbreviations (b)	
Chorus Communications Group, Ltd.	CCG	1
Chorus Networks	CN	2
Chorus Properties	CP	3
Dickeyville Telephone Corporation	DTC	4
Mid-Plains, Inc.	MPI	5
Pioneer Communications, Inc.	PCI	6

AFFILIATED INTEREST TRANSACTIONS

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing.

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	05 AT103	05 AT103	05 AT103	05 AT103	
Name of Affiliate	CCG	CN	CP	DTC	1
Designate whether billed to or from:	FROM	FROM	FROM	FROM	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C	C	C	3
Total Dollar Activity	126,212	254	1,047	436	4
Percent of affiliate's business billed to all affiliated regulated utilities					5
If cost based, rate of return on equity or markup incorporated in billings	0.00	13.57	7.87	0.00	6
Footnotes					

Particulars (a)	(b)	(c)	(d)	(e)	
Docket	05 AT103	05 AT103	05 AT103	05 AT103	
Name of Affiliate	DTC	MPI	MPI	PCI	1
Designate whether billed to or from:	TO	FROM	TO	FROM	2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C	C	C	C	3
Total Dollar Activity	123,215	43,708	3,793	49,783	4
Percent of affiliate's business billed to all affiliated regulated utilities					5
If cost based, rate of return on equity or markup incorporated in billings		15.30		18.00	6
Footnotes					

AFFILIATED INTEREST TRANSACTIONS

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Particulars				
(a)	(b)	(c)	(d)	(e)
Docket	05 AT103			
Name of Affiliate	PCI			1
Designate whether billed to or from:	TO			2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)	C			3
Total Dollar Activity	283,567			4
Percent of affiliate's business billed to all affiliated regulated utilities				5
If cost based, rate of return on equity or markup incorporated in billings				6
Footnotes				

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)	
GENERAL SUPPORT ASSETS				
Land	2111	142,789	3,909	1
Motor Vehicles	2112	269,259	46,968	2
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	262,655	15,077	6
Buildings	2121	637,267		7
Furniture	2122	82,639	3,242	8
Office Equipment	2123	74,069	1,642	9
General Purpose Computers	2124	408,044	32,626	10
TOTAL--GENERAL SUPPORT ASSETS:		1,876,722	103,464	
CENTRAL OFFICE ASSETS				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	1,999,000	218,491	12
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	850,352	189,620	16
TOTAL--CENTRAL OFFICE ASSETS:		2,849,352	408,111	
INFORMATION ORIGATION/TERMINATION ASSETS				
Station Apparatus	2311	0		17
Customer Premises Wiring	2321	0		18
Large Private Branch Exchanges	2341	0		19
Public Telephone Terminal Equipment	2351	0		20
Other Terminal Equipment	2362	13,631		21
TOTAL--INFORMATION ORIG/TERM ASSETS:		13,631	0	
CABLE WIRE FACILITIES ASSETS				
Poles	2411	65,227	1,885	22
Aerial Cable	2421	494,872	6,277	23
Underground Cable	2422	131,668	19,202	24
Buried Cable	2423	4,061,593	244,422	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	20,116		29
Conduit Systems	2441	259,448	3,996	30
TOTAL--CABLE WIRE FACILITIES ASSETS:		5,032,924	275,782	
AMORTIZABLE ASSETS				
Capital Leases	2681	0		31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2111			146,698	1
2112	26,203		290,024	2
2113			0	3
2114			0	4
2115			0	5
2116			277,732	6
2121			637,267	7
2122			85,881	8
2123	0	0	75,711	9
2124	2,202		438,468	10
	28,405	0	1,951,781	
2211			0	11
2212	8,182	0	2,209,309	12
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	29,869	0	1,010,103	16
	38,051	0	3,219,412	
2311			0	17
2321			0	18
2341			0	19
2351			0	20
2362			13,631	21
	0	0	13,631	
2411	1,395		65,717	22
2421	9,049	0	492,100	23
2422	0	0	150,870	24
2423	52,062	0	4,253,953	25
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431	231		19,885	29
2441			263,444	30
	62,737	0	5,245,969	
2681			0	31

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B

Plant Account (a)	Account (b)	Balance FOY (c)	Additions (d)
AMORTIZABLE ASSETS			
Leasehold Improvements	2682	0	32
Intangibles	2690	0	33
TOTAL--AMORTIZABLE ASSETS:		0	0
TOTAL TELECOM. PLANT IN SERVICE	2001	9,772,629	787,357
Less: Allocation to Nonregulated Activity - EOY	2001		34
NET REG. TOTAL TELE. PLANT IN SERV. - EOY	2001		

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)

Account (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2682			0	32
2690			0	33
	0	0	0	
	129,193	0	10,430,793	
2001			0	34
			10,430,793	

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subaccount (b)	Balance FOY (c)	Additions (d)	
Office Support Equipment	2123.1	50,090		1
Company Communications Equipment	2123.2	23,979	1,642	2
Software	2212.1	0		3
Digital Switching - Central Office	2212.2	1,521,203	215,696	4
Digital Switching - Remote	2212.3	477,797	2,795	5
Step by Step Switching	2215.1	0		6
Crossbar Switching	2215.2	0		7
Satellite and Earth Station Facilities	2231.1	0		8
Other Radio Facilities	2231.2	0		9
Digital Circuit Equipment	2232.1	378,323	14,980	10
Analog Circuit Equipment	2232.2	227,791	163,325	11
Light Wave Circuit Equipment	2232.3	244,238	11,315	12
Aerial Cable - Nonmetallic	2421.1	0		13
Aerial Cable - Metallic	2421.2	494,872	6,277	14
Underground Cable - Nonmetallic	2422.1	18,223	2,373	15
Underground Cable - Metallic	2422.2	113,445	16,829	16
Buried Cable - Nonmetallic	2423.1	599,226	58,599	17
Buried Cable - Metallic	2423.2	3,462,367	185,823	18
Submarine Cable - Nonmetallic	2424.1	0		19
Submarine Cable - Metallic	2424.2	0		20
Intrabuilding Cable - Nonmetallic	2426.1	0		21
Intrabuilding Cable - Metallic	2426.2	0		22

Explain all amounts shown in column (g).

TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)

Subaccount (e)	Retirements (f)	Transfers / Adjustments (g)	Balance EOY (h)	
2123.1			50,090	1
2123.2			25,621	2
2212.1			0	3
2212.2	7,614		1,729,285	4
2212.3	568		480,024	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1	4,486		388,817	10
2232.2	22,351		368,765	11
2232.3	3,032		252,521	12
2421.1			0	13
2421.2	9,049		492,100	14
2422.1			20,596	15
2422.2			130,274	16
2423.1	599		657,226	17
2423.2	51,463		3,596,727	18
2424.1			0	19
2424.2			0	20
2426.1			0	21
2426.2			0	22

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
GENERAL SUPPORT ASSETS					
Motor Vehicles	2112	166,041	6.21	22,388	1
Aircraft	2113	0			2
Special Purpose Vehicles	2114	0			3
Garage Work Equipment	2115	0			4
Other Work Equipment	2116	143,511	7.41	20,404	5
Buildings	2121	303,348	3.13	19,946	6
Furniture	2122	60,073	6.67	5,512	7
Office Equipment	2123	64,574	6.61	4,959	8
General Purpose Computers	2124	346,197	20.0	79,205	9
Total-- GENERAL SUPPORT ASSETS		1,083,744		152,414	0
CENTRAL OFFICE ASSETS					
Analog Electronic Switching	2211	0			10
Digital Electronic Switching	2212	652,916	10.0	206,429	11
Electro-Mechanical Switching	2215	0			12
Operator Systems	2220	0			13
Radio Systems	2231	0			14
Circuit Equipment	2232	676,052	9.08	83,001	15
Total-- CENTRAL OFFICE ASSETS		1,328,968		289,430	0
INFORMATION ORIG/TERM ASSETS					
Station Apparatus	2311	0			16
Customer Premises Wiring	2321	0			17
Large Private Branch Exchanges	2341	0			18
Public Telephone Terminal Equipment	2351	0			19
Other Terminal Equipment	2362	761	13.49	1,839	20
Total-- INFORMATION ORIG/TERM ASSETS		761		1,839	0
CABLE WIRE FACILITIES ASSETS					
Poles	2411	64,690	6.94	2,796	21
Aerial Cable	2421	361,276	5.25	25,803	22
Underground Cable	2422	64,709	4.0	5,717	23
Buried Cable	2423	2,947,011	6.0	246,490	24
Submarine Cable	2424	0			25
Deep Sea Cable	2425	0			26
Intrabuilding Network Cable	2426	0			27
Aerial Wire	2431	20,116	17.51	0	28

ACCUMULATED DEPRECIATION CLASS A & B

Primary Plant Account (a)	Acct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
CABLE WIRE FACILITIES ASSETS					
Conduit Systems	2441	80,776	2.5	6,518	29
Total-- CABLE WIRE FACILITIES ASSETS		3,538,578		287,324	0
Total Accumulated Depreciation	3100	5,952,051		731,007	0
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100				30
Net Regulated Total Accum Depreciation - 3100					
Columns e, f and I					

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2112	26,203		4,950		167,176	1
2113					0	2
2114					0	3
2115					0	4
2116					163,915	5
2121					323,294	6
2122					65,585	7
2123	0				69,533	8
2124	2,202				423,200	9
	28,405	0	4,950	0	1,212,703	
2211					0	10
2212	8,182	48	354	0	851,469	11
2215	0				0	12
2220					0	13
2231	0				0	14
2232	29,869	552	23,634		752,266	15
	38,051	600	23,988	0	1,603,735	
2311					0	16
2321					0	17
2341					0	18
2351					0	19
2362					2,600	20
	0	0	0	0	2,600	
2411	1,395	384			65,707	21
2421	9,049	2,293	293		376,030	22
2422	0				70,426	23
2423	52,062	1,705	193		3,139,927	24
2424	0				0	25
2425					0	26
2426	0				0	27
2431	231				19,885	28

ACCUMULATED DEPRECIATION CLASS A & B (cont.)

Acct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2441					87,294	29
	62,737	4,382	486	0	3,759,269	
3100	129,193	4,982	29,424	0	6,578,307	
3100						30
3100						

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS)

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

Plant Subaccount (a)	Subacct (b)	Balance FOY (c)	Depr Rate (d)	Annual Accrual (e)	Additional Accrual (f)
Office Support Equipment	2123.1	50,090	15.0	0	1
Company Communications Equipment	2123.2	14,484	20.0	4,959	2
Software	2212.1	0			3
Digital Switching - Central Office	2212.2	0			4 A
Digital Switching - Remote	2212.3	652,916	10.0	206,429	5 A
Step by Step Switching	2215.1	0			6
Crossbar Switching	2215.2	0			7
Satellite and Earth Station Facilities	2231.1	0			8
Other Radio Facilities	2231.2	0			9
Digital Circuit Equipment	2232.1	377,218	10.0	9,306	10
Analog Circuit Equipment	2232.2	184,666	20.0	56,047	11
Light Wave Circuit Equipment	2232.3	114,168	7.07	17,648	12
Aerial Cable - Nonmetallic	2421.1	0			13
Aerial Cable - Metallic	2421.2	361,276	5.25	25,803	14
Underground Cable - Nonmetallic	2422.1	3,043	4.0	795	15
Underground Cable - Metallic	2422.2	61,666	4.0	4,922	16
Buried Cable - Nonmetallic	2423.1	251,360	6.0	37,099	17
Buried Cable - Metallic	2423.2	2,695,651	6.0	209,391	18
Submarine Cable - Nonmetallic	2424.1	0			19
Submarine Cable - Metallic	2424.2	0			20
Intrabuilding Cable - Nonmetallic	2426.1	0			21
Intrabuilding Cable - Metallic	2426.2	0			22

ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)

Subacct (g)	Retired (h)	Cost of Removal (i)	Salvage (j)	Other (k)	Balance EOY (l)	
2123.1					50,090	1
2123.2					19,443	2
2212.1					0	3
2212.2	7,614			7,614	0	4 A
2212.3	568	48	354	(7,614)	851,469	5 A
2215.1					0	6
2215.2					0	7
2231.1					0	8
2231.2					0	9
2232.1	4,486	53	3,004		384,989	10
2232.2	22,351	499	17,679		235,542	11
2232.3	3,032		2,951		131,735	12
2421.1					0	13
2421.2	9,049	2,293	293		376,030	14
2422.1					3,838	15
2422.2					66,588	16
2423.1	599	19			287,841	17
2423.2	51,463	1,686	193		2,852,086	18
2424.1					0	19
2424.2					0	20
2426.1					0	21
2426.2					0	22

RETAINED EARNINGS (ACCT. 4550)

Particulars (a)	This Year (b)	Last Year (c)	
Balance-First of Year	1,683,903	1,762,101	1
Changes:			
Balance Transferred from Income	1,310,543	1,171,802	2
Dividends Declared:			
Common	800,000	1,250,000	3
Preferred		0	4
Total Dividends Declared	800,000	1,250,000	
Miscellaneous Debits to Retained Earnings		0	5
Miscellaneous Credits to Retained Earnings		0	6
Balance--End of Year	<u>2,194,446</u>	<u>1,683,903</u>	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
LOCAL NETWORK SERVICES REVENUES			
Basic Local Service Revenue (5000)*	1,385,564	1,171,761	1
Basic Area Revenue (5001)			2
Optional Extended Area Revenue (5002)			3
Cellular Mobile Revenue (5003)			4
Other Mobile Services Revenue (5004)			5
Public Telephone Revenue (5010)			6
Local Private Line Revenue (5040)			7
Customer Premises Revenue (5050)			8
Other Local Exchange Revenue (5060)			9
Other Local Exchange Revenue Settlements (5069)			10
TOTAL BASIC LOCAL SERVICE REVENUE (5000)	1,385,564	1,171,761	
NETWORK INTERSTATE ACCESS SERVICES REV.			
End User Revenue (5081)*	313,916	293,710	11
Switched Access Revenue (5082)*	1,091,068	1,083,591	12
Special Access Revenue (5083)*	88,489	69,618	13 B
TOTAL INTERSTATE ACCESS REVENUES (5080)	1,493,473	1,446,919	
NETWORK INTRASTATE ACCESS SERVICES REV.			
End User Revenue (5084.1)*			14
Switched Access Revenue (5084.2)*	826,161	799,686	15
Special Access Revenue (5084.3)*	360,485	250,989	16 B
TOTAL INTRASTATE ACCESS REVENUES (5084)	1,186,646	1,050,675	
LONG DISTANCE NETWORK SERVICES MESSAGE REV.			
Long Distance Message Revenue (5100)*	13,527	4,509	17
Long Distance Inward-Only Revenue (5111)			18
Long Distance Outward-Only Revenue (5112)			19
Unidirectional Long Distance Revenue (5110)	0	0	
Long Distance Private Network Revenues			
Subvoice Grade Revenue (5121)			20
Voice Grade Revenue (5122)			21
Audio Program Grade Revenue (5123)			22
Video Program Grade Revenue (5124)			23
Digital Transmission Revenue (5125)			24
Switching Revenue (5126)			25
Other Revenue (5128)			26
Other Revenue Settlements (5129)			27
Total Long Distance Private Network Revenue	0	0	
Other Long Distance Revenue (5160)			28
Other Long Distance Revenue Settlements (5169)			29
TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.	13,527	4,509	

REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY *)

Particulars (a)	This Year (b)	Last Year (c)	
MISCELLANEOUS REVENUES			
Directory Revenue (5230)*	146,088	136,647	30
Rent Revenue (5240)*	145,751	9,520	31 C
Corporate Operations Revenue (5250)*			32
Miscellaneous:			
Miscellaneous Revenue (5260)*	42,283	153,053	33 D
Special Billing Arrangements Revenue (5261)			34
Customer Operations Revenue (5262)			35
Plant Operations Revenue (5263)			36
Other Incidental Regulated Revenue (5264)			37
Other Revenue Settlements (5269)			38
Total Miscellaneous Revenue (5260)	42,283	153,053	
Interstate Billing and Collection Revenue*	66,077	67,556	39
Intrastate Billing and Collection Revenue*	99,994	88,365	40
Total Carrier Billing and Collection Revenue (5270)*	166,071	155,921	
Nonregulated Operating Revenue (5280)**			41
TOTAL MISCELLANEOUS REVENUES	500,193	455,141	
GROSS OPERATING REVENUES	4,579,403	4,129,005	
UNCOLLECTIBLE REVENUES			
Uncollectible Revenue (5300)*	(4,240)	14,654	42 E
Uncollectible Revenue--Telecommunications (5301)			43
Uncollectible Revenue--Other (5302)			44
TOTAL UNCOLLECTIBLE REVENUE (5300)	(4,240)	14,654	
TOTAL OPERATING REVENUES	4,583,643	4,114,351	

** Account 5280 is to be used only by those companies subject to dual jurisdiction.

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (b)	Total Last Year (c)	
PLANT SPECIFIC OPERATIONS EXPENSE			
Total Network Support Expense (6110)	0	10,065	1
Less: Nonregulated		0	2 F
Net Regulated	0	10,065	3
Total General Support Expense (6120)	109,673	76,977	4
Less: Nonregulated		0	5 C
Net Regulated	109,673	76,977	6
Total Central Office Switching Expense (6210)	101,450	96,685	7
Less: Nonregulated		0	8
Net Regulated	101,450	96,685	9
Total Operator Systems Expense (6220)	0	0	10
Less: Nonregulated		0	11
Net Regulated	0	0	12
Total Central Office Transmission Expenses (6230)	24,548	5,371	13
Less: Nonregulated		0	14 G
Net Regulated	24,548	5,371	15
Total Information Orig. / Term. Expense (6310)	842	0	16
Less: Nonregulated		0	17
Net Regulated	842	0	18
Total Cable and Wire Fac. Expense (6410)	174,978	151,836	19
Less: Nonregulated		0	20
Net Regulated	174,978	151,836	21
TOTAL PLANT SPECIFIC OPERATIONS EXPENSE	411,491	340,934	
Less: Nonregulated	0	0	
Net Regulated	411,491	340,934	
PLANT NONSPECIFIC OPERATIONS EXPENSE			
Total Other Property, Plant and Equip. Exp. (6510)	0	0	22
Less: Nonregulated		0	23
Net Regulated	0	0	24
Total Network Operations Expense (6530)	73,177	68,792	25
Less: Nonregulated		0	26
Net Regulated	73,177	68,792	27
Access Expense (6540)	39,624	37,883	28
Less: Nonregulated		0	29
Net Regulated	39,624	37,883	30
Total Depreciation and Amortization Expense (6560)	733,259	710,025	31
Less: Nonregulated		0	32
Net Regulated	733,259	710,025	33
TOTAL PLANT NONSPECIFIC OPERATIONS EXP.	846,060	816,700	
Less: Nonregulated	0	0	
Net Regulated	846,060	816,700	

EXPENSES - CLASS A & B

Particulars (a)	Total This Year (b)	Total Last Year (c)	
CUSTOMER OPERATIONS EXPENSE			
Total Marketing (6610)	16,259	2,279	34
Less: Nonregulated		0	35 H
Net Regulated	16,259	2,279	36
Total Services (6620)	343,257	314,404	37
Less: Nonregulated		0	38
Net Regulated	343,257	314,404	39
TOTAL CUSTOMER OPERATIONS EXPENSE	359,516	316,683	
Less: Nonregulated	0	0	
Net Regulated	359,516	316,683	
CORPORATE OPERATIONS EXPENSE			
Total Exec. and Planning (6710)	252,298	202,564	40
Less: Nonregulated		0	41 H
Net Regulated	252,298	202,564	42
Total General and Administrative (6720)	249,075	201,967	43
Less: Nonregulated		0	44 H
Net Regulated	249,075	201,967	45
Provision for Uncollectible Notes Receiv. (6790)	0	0	46
Less: Nonregulated		0	47
Net Regulated	0	0	48
TOTAL CORPORATE OPERATIONS EXPENSE	501,373	404,531	
Less: Nonregulated	0	0	
Net Regulated	501,373	404,531	
TOTAL EXPENSES	2,118,440	1,878,848	
Less: Nonregulated	0	0	
Net Regulated	2,118,440	1,878,848	

EXPENSES - CLASS A & B (DETAIL)

Particulars (a)	Total This Year (b)	Total Last Year (c)	
Property Held for Future Tele. Use Exp. (6511)	0	0	1
Provisioning Expense (6512)	0	0	2
Total: Reported in Account 6510	0	0	
Depreciat. Exp.--Tele. Plant in Service (6561)	731,007	707,773	3
Depreciat. Exp.--Prop. Held for Future Tele. Use (6562)	2,252	2,252	4
Amortization Expense--Tangible (6563)	0	0	5
Amortization Expense--Intangible (6564)	0	0	6
Amortization Expense--Other (6565)	0	0	7
Total: Reported in Account 6560	733,259	710,025	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description (a)	This Year (b)	
Gross Operating Revenues	4,579,403	1
Plus: Collection of amounts previously written off	6,602	2
Less: Uncollectibles written off during the year	2,362	3
Plus: Total Other Operating Income and (Expense) (7100)	(618)	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): None	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	<u>4,583,025</u>	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	1,385,564	1
Plus: Total Intrastate Access Revenues (5084)	1,186,646	2
Plus: Total Long Distance Network Services Revenue	13,527	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues		5
Plus (or Less) Other (please specify): None	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	<u>2,585,737</u>	

CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.

Description (a)	This Year (b)	
Gross Operating Revenues	4,579,403	1
Plus: Collection of amounts previously written off	6,602	2
Less: Uncollectibles written off during the year	2,362	3
Plus: Total Other Operating Income and (Expense) (7100)	(618)	4
Less: Nonregulated Operating Revenue (included in Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify): None	0	8
Assessable Revenues for Remainder and Telephone Relay Assessment Purposes	4,583,025	

CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	1,385,564	1
Plus: Total Intrastate Access Revenues (5084)	1,186,646	2
Plus: Total Long Distance Network Services Revenue	13,527	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus: Intrastate Payphone Revenues		5
Plus (or Less) Other (please specify): None	0	6
Assessable Revenues for Universal Service Fund Assessment Purposes	2,585,737	

OTHER INCOME ACCOUNTS

Particulars (a)	This Year (b)	Last Year (c)	
OTHER OPERATING INCOME AND EXPENSE			
Total Other Oper. Income and (Expense) (7100)	(618)	(89)	1
OPERATING TAXES			
Operating Investment Tax Credits--Net (7210)	(28,276)	(28,276)	2
Operating Federal Income Taxes (7220)	666,626	659,685	3
Operating State and Local Income Taxes (7230)	163,796	161,529	4
Operating Other Taxes (7240)	268,485	235,972	5
Provision for Deferred Operating Income Taxes--Net (7250)	(27,959)	(71,945)	6
TOTAL OPERATING TAXES (7200)	1,042,672	956,965	
NONOPERATING INCOME AND EXPENSE			
Dividend Income (7310)	736	123	7
Interest Income (7320)	40,328	43,210	8
Income from Sinking and Other Funds (7330)			9
Allowance for Funds Used During Construction (7340)			10
Gains or (Losses) from the Disposition of Certain Property (7350)			11
Other Nonoperating Income (7360)	4,154	59	12
Special Charges (7370)	2,308	3,136	13
TOTAL NONOPERATING INCOME AND EXPENSE (7300)	42,910	40,256	
NONOPERATING TAXES			
Total Nonoperating Taxes (7400)	8,538	(6,834)	14
INTEREST AND RELATED ITEMS			
Total Interest and Related Items (7500)	145,742	153,737	15
EXTRAORDINARY ITEMS			
Extraordinary Items (7600)	0	0	16
NONREGULATED NET INCOME			
Nonregulated Net Income (7990)	0	0	17

NONREGULATED ACTIVITIES

List the type of nonregulated activities that the company is involved in.

**Nonregulated Activity
(a)**

None.**1**

TELEPHONE CALLS AND MINUTES OF USE PER MONTH

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
LOCAL			
Intra-Exchange	503	1,445	1
Extended Area Service	218	1,125	2
Extended Community Calling	72	274	3
Other Local-Undefined			4
Total Local	793	2,844	
TOLL			
Toll	447	2,338	5
Total Toll	447	2,338	
Total Local & Toll	1,240	5,182	

ACCESS USAGE

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.	0	0	0	0	1
Feature Group A -- Term.	4	0	0	0	2
Feature Group B -- Orig.	0	0	0	0	3
Feature Group B -- Term.	26	0	0	0	4
Feature Group C -- Orig.	0	0	0	0	5
Feature Group C -- Term.	0	0	0	0	6
Feature Group D -- Orig.	5,073	1,619	4,337	7	7
Feature Group D -- Term.	10,665	4,923	1,401	0	8

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	80	1
Strand miles of plant - fiber optics	1,004	2
Route miles of plant - microwave		3

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

Circuit Type (a)	InterLATA Chan. Terms. (b)	IntraLATA Chan. Terms. (c)	
Voice grade	7	21	1
56 kbps	13	11	2
64 kbps (DS0)	2	3	3
1.54 Mbps (DS-1)	8	22	4
45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

OUTSIDE PLANT STATISTICS AT END OF YEAR

Description of Item (a)	Amount (b)	
Sheath miles of plant - fiber optics	80	1
Strand miles of plant - fiber optics	1,004	2
Route miles of plant - microwave		3

SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR

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45 Mbps (DS-3)	0	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

SERVICE DATA

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Business			
1 Party	925	971	3
2 Party			4
4 Party			5
PBX Trunks/System Trunks	190	287	6
Centrex Trunks			7
Centrex Lines	239	248	8
Key System Trunks	418	413	9
Mobile (Utility Provided Service)			10
Paging (Utility Provided Service)	120	107	11
FX-Out (Switched)	3	3	12
Pay Telephone	44	44	13
Coin-Operated Pay Telephone			14
Independent Pay Telephone Provider	9	6	15
Pay Stations - Public			16
- Semi-Public			17
- Cust. Owned			18
Other	9	16	19
Total Business Lines	1,957	2,095	20
Residential (Incl. Emp. Concess.)			
1 Party	4,657	4,721	22
2 Party			23
4 Party			24
FX-Out (Switched)	12	15	25
Other			26
Total Residential Lines	4,669	4,736	27
Total Bus & Res Lines	6,626	6,831	28
Company Used Lines	94	99	29
Total Lines Used	6,720	6,930	30

SERVICE DATA (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
Miscellaneous			
WATS Lines - OutWATS			3
WATS Lines - 800 Service			4
FX-In-intraLATA	4	5	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	328	563	7
Special Access-interLATA			8
(expressed in equiv. access lines)	262	214	9
Feature Group A Lines			10
Feature Group B Trunks			11
Feature Group C Trunks	144	168	12
Feature Group D Trunks	216	216	13
TSPS - Trunks	16	16	14
EAS - Trunks	228	264	15
Cellular Trunks (Pub. Sw. Net.)			16
Video Distance Learning			17
- discounted (special tariff)			18
Customers			
Business - 2 Party Customers			19
Business - 4 Party Customers			20
Residential - 2 Party Customers			21
Residential - 4 Party Customers			22
Other			
Total Central Office, Info. Orig./Term., & Cable			23
Wire Fac. Assets (based on physical			24
location of plant)	7,895,907	8,479,012	25
Total Company Square Miles	330	330	26
Total Company Route Miles	977	1,000	27
Footnotes			28
			29
			30

SERVICE DATA - END OF YEAR

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0390	0960	2850	4350	1
Business					2
1 Party	52	147	662	110	3
2 Party					4
4 Party					5
PBX Trunks/System Trunks		6	281		6
Centrex Trunks	---CONF---	---CONF---	---CONF---	---CONF---	7
Centrex Lines		1	243	4	8
Key System Trunks	11	39	330	33	9
Mobile (utility provided service)					10
Paging (utility provided service)		10	92	5	11
FX-Out (Switched)			3		12
Pay Telephone	3	9	29	3	13
Coin-Operated Pay Telephone					14
Independent Pay Telephone Provider		0	5	1	15
Pay Stations - Public					16
- Semi-Public					17
- Cust. Owned					18
Other		1	12	3	19
Total Business Lines	66	213	1,657	159	20
Residential (Incl. Emp. Concess.)					21
1 Party	487	824	2,517	893	22
2 Party					23
4 Party					24
FX-Out (Switched)			11	4	25
Other					26
Total Residential Lines	487	824	2,528	897	27
Total Bus & Res Lines	553	1,037	4,185	1,056	28
Company Used Lines	6	4	84	5	29
Total Lines Used	559	1,041	4,269	1,061	30

SERVICE DATA - END OF YEAR (cont.)

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0390	0960	2850	4350	1
Miscellaneous					2
WATS Lines - OutWATS					3
WATS Lines - 800 Service					4
FX-In-intraLATA			5		5
Special Access-intraLATA					6
(equiv. access lines)	1	104	433	25	7
Special Access-interLATA					8
(equiv. access lines)	1	1	187	25	9
Feature Group A Lines					10
Feature Group B Trunks					11
Feature Group C Trunks			168		12
Feature Group D Trunks			216		13
TSPS - Trunks			16		14
EAS - Trunks			264		15
Cellular Trunks (Pub. Sw. Net.)					16
Video Distance Learning					17
- discounted (special tariff)					18
Customers					19
Business - 2 Party Customers					20
Business - 4 Party Customers					21
Residential - 2 Party Customers					22
Residential - 4 Party Customers					23
Other					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical location of plant)	1,211,219	1,150,592	4,873,866	1,243,335	26
Exchange Square Miles	79	54	130	67	27
Exchange Route Miles	204	162	438	196	28
Footnotes					29
					30

MANUFACTURER ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Manufacturer Name (a)	Abbreviation (b)	
Alcatel	AL	1
ATTC	ATT	2
GTE	GTE	3
ITT	ITT	4
Lucent	ATT/LUC	5
Nippon Electric	NEC	6
Northern Telecom	NTI	7
Siemens	SI	8
Stromberg-Carlson	SC	9
VIDAR	VI	10

EQUIPMENT ABBREVIATIONS

Use these abbreviations when completing the central office data schedule.

Equipment Type (a)	Abbreviation (b)	
Electromechanical	EM	1
Electronic--Analog	A	2
Electronic--Digital	D	3
Electronic--Video	V	4

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CENTRAL OFFICE DATA - END OF YEAR

When an exchange has more than one central office, data must be reported for each central office.

Description (a)	Central Off. (b)	Central Off. (c)	Central Off. (d)	Central Off. (e)	
Exchange Name	BEETOWN	CASSVILLE	LANCASTER	POTOSI	1
PSCW Exchange ID	0390	0960	2850	4350	2
Central Office Name	BEETOWN	CASSVILLE	LANCASTER	POTOSI	3
PSCW Central Office ID	1	1	1	1	4
Manufacturer of COE (Page 54)	SI	SI	SI	SI	5
Year COE Installed	1994	1994	1994	1994	6
Type of Equipment (Page 54)	D	D	D	D	7
(S)tandalone, (H)ost, (R)emote	R	R	H	R	8
Remote Host PSCW Exchange ID	2850	2850		2850	9
Remote Host PSCW Central Office ID	1	1	0	1	10
COE Generic Software Release No.	16.0	16.0	16.0	16.0	11
SS7?	Yes	Yes	Yes	Yes	12
9-1-1?	Yes	Yes	Yes	Yes	13
Access Lines - In Use	561	1,146	4,894	1,111	14
- Equipped	696	1,420	6,964	1,444	15
- Wired	712	1,480	8,232	1,480	16
Trunks - In Use	0	0	616	0	17
- Equipped	0	0	936	0	18
- Wired	0	0	936	0	19
ISDN Available?	Yes	Yes	Yes	Yes	20
ISDN Lines - In Use (BRI)	0	1	12	3	21
- In Use (PRI)	0	0	0	0	22
Switched 56 Service?	Yes	Yes	Yes	Yes	23
Switched 56 lines in use	0	0	0	0	24
Digital Transmission Facilities: DS-1 - In Use	5	13	136	11	25
DS-3 - In Use	1	2	8	1	26
Advanced Data Service Available:					
Packet Switching?	No	No	No	No	27
SMDS?	No	No	No	No	28
Frame Relay?	No	No	No	No	29
ATM (Asynchronous Trans. Mode)?	No	No	No	No	30
Video Information - Service Available?	Yes	Yes	Yes	Yes	31
- In Use (# lines) ¹	0	1	0	0	32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	16	12	44	16	33
No. of fiber strands working (LIT) in C.O.	8	8	16	8	34
No. of fiber strands for interoffice use	8	4	28	8	35
Miles of fiber sheath in wire center	19	12	29	20	36
Access Tandem Serving this C.O.:					
- C.O. Name	PLATTEVILLE	PLATTEVILLE	PLATTEVILLE	PLATTEVILLE	37
- PSCW C.O. ID	4250-02	4250-02	4250-02	4250-02	38
Does this C.O. do access tandem switching?	No	No	No	No	39
Equal Access: InterLATA (1+)?	Yes	Yes	Yes	Yes	40
Equal Access: IntraLATA (1+)?	Yes	Yes	Yes	Yes	41
Footnotes					42

¹ Teleco provided end-to-end facility.

GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES

General Footnote

Schedule Footnotes

Schedule Line Footnotes

- A)** Amounts shown in column (k) are to correct ending balances. Depreciation for account 2212 is only maintained in total. No sub-class accounts are maintained for depreciation purposes. Total depreciation is shown under sub-class account 2212.3.
- B)** Increase in revenues due to increase in special access circuits installed.
- C)** In the past, certain Company charges would be classified as a reduction to expenses. Starting in 1999 these charges are recorded as Rent Revenue. Therefore, Rent Revenue increased and certain expense categories increased.
- D)** Effective February 1, 1999 the E911 contract was reduced.
- E)** Incurred more write-offs in 1998.
- F)** Beginning in 1999 expenses for Vehicles Non-Plant and Other Work Equipment-Misc. were cleared to appropriate accounts.
- G)** 1998 expenses were lower than usual due to inventory true-up.
- H)** Expenses are up due to increased efforts in these areas.
- I)** The Company does not have any of these special circuits.